






10 January 2022

US\$250,000 of the US\$1 million license fee received on Zelira's EDCDM Technology



PARTIAL RECEIPT OF ZELIRA'S EDCDM TECHNOLOGY LICENSE FEE

Key Highlights

-  US\$ 250,000 of the US\$1 million upfront, non-refundable, non-contingent license fee received with the balance to be paid in Q1 CY2022
-  Foundational licensing deal for Zelira's EDCDM technology signed with DRCN Holdings:
 - DRCN Holdings has an option for up to 3 years to develop up to 3 commercial products using EDCDM
 - Zelira to receive a 20% royalty on net sales from commercialised products, with minimum of US\$1 million of net sales per annum or either party can cancel the license
-  Milestone for the 393,870,322 Class A Performance Rights on issue satisfied



Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF), a global leader in the research and development of clinically validated cannabinoid medicines, is pleased to confirm the receipt of US\$250,000 of its upfront non-refundable, non-contingent licensing fee of US\$1 million from DRCN Holdings LLC (DRCN) as announced on 3 November 2021, remaining US\$750,000 is expected to be received in Q1 CY2022.

To recap, Zelira successfully demonstrated enhanced dissolution of cannabinoids using its enhanced distillate capture and dissolution matrix (EDCDM) and signed a foundation licensing deal for this proprietary technology.

Licensing agreement with DRCN

Key terms of the licensing agreement include:

- Zelira to receive an upfront, non-refundable, non-contingent licensing fee of US\$1 million from DRCN Holdings (partially received), with the remaining US\$750,000 expected to be received in Q1 CY2022.
- DRCN Holdings has an option to designate up to 3 product target profiles for which Zelira can develop products
- DRCN has a 3-year period to exercise product development options, with a possible 2-year extension
- Products must generate a minimum of US\$1 million in Net Sales each year after commercialisation, otherwise either party has the right to cancel the license
- Zelira to receive a 20% royalty on Net Sales from commercialised products created under the license

Class A Performance Rights Milestones Met

Zelira is pleased to announce that the milestones for its 393,870,322 Class A Performance Rights have now been met. The milestone for Performance Rights conversion was cumulative revenues from the date of issue of the Performance Rights received by the Company or its subsidiaries from US based product sales of products derived or generated from Ilera Therapeutics LLC exceeding US\$1 million within five (5) years from the date of issue of the Performance Rights.

The Performance Rights will be converted into fully paid ordinary shares in accordance with the terms and conditions associated with the Class A Performance Rights.



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Zelira Therapeutics Global Managing Director & CEO Oludare Odumosu said:

“Zelira is delighted to be partnering with DRCN Holdings to commercialise our proprietary EDCDM technology. The licensing arrangement with DRCN is evidence of the value partners place on Zelira’s technology to solve issues impacting the wider acceptance and usage of cannabinoid-based medicines – the difficulty in formulating solid oral dosage drugs with distillate, and the low rate of dissolution into the body from capsules and tablets.

Partial receipt of the upfront, non-refundable, non-contingent fee strengthens Zelira’s cash position allowing us to continue to accelerate our prescription (Rx) and Over The Counter (OTC) businesses and commercialisation strategies. We look forward to receiving the balance of the upfront, non-refundable, non-contingent fee this quarter.

We look forward to partnering with DRCN Holdings to bring new products to market that enhance peoples’ lives.”

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This announcement has been approved and authorised for release by the board of Zelira Therapeutics Limited.





For further information
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About Zelira www.zeliratx.com



Zelira Therapeutics Ltd (ASX:ZLD, OTCQB:ZLDAF) is a leading global biopharmaceutical company manufacturing and marketing cannabinoid-based medicines. Zelira owns a portfolio of proprietary revenue generating products and a pipeline of candidates undergoing clinical development that are positioned to access the world's largest and fastest growing markets. The Company is focused on developing and clinically validating branded cannabinoid-based medicines for the treatment of a variety of medical conditions in its Rx business, including insomnia, autism and chronic non-cancer pain.



The Company has two proprietary formulations under the HOPE™ brand that are generating revenues in Australia, Pennsylvania, Louisiana and Washington D.C. with other states in the US expected to follow. Zelira is also generating revenue in Australia from its proprietary and patented Zenivol™ - a leading cannabinoid-based medicine for treatment of chronic insomnia. Zenivol™ has successfully completed the first Phase 1b/2a clinical trial for chronic insomnia where it was found to be a safe and effective treatment. This clinical trial is published in the prestigious journal 'Sleep'. In 2020, Zelira partnered with SprinJene® Natural to develop and commercialise natural and organic oral care products under the SprinjeneCBD brand, as part of Zelira's OTC business. The SprinjeneCBD toothpaste product is the first of several scientifically formulated, hemp-derived, oral care products containing cannabinoids and based on the proprietary and patented technology of Blackseed oil and Zinc.

The Company conducts its work in partnership with world-leading researchers and organizations which since inception includes Curtin University in Perth, Western Australia; the Telethon Kids Institute in Perth; the University of Western Australia, in Perth; St. Vincent's Hospital in Melbourne, Australia; and the Children's Hospital of Philadelphia (CHOP) in the United States.